

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 876 - MH/MR/DD/BI Redesign (LSB 1611 HZ)

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Fiscal Note Version – Amendment H-1557 which strikes everything after the enacting clause

Description

Amendment H-1557 which strikes everything after the enacting clause in HF 876 (2005 Mental Health Bill) provides for minimum core services for persons with mental retardation, mental illness, developmental disabilities, and brain injury within the 99 counties. Current law permits each county to adopt a County Management Plan which specifies which services the county will fund for eligible individuals within the county. The Amendment also provides that this new minimum core set of services will be what the State pays for under the State Cases appropriation after enactment of the minimum core. Amendment H-1557 provides that those eligible for the State cases appropriation funds who are receiving services at the time of enactment are permitted to continue receiving services if eligible. Services provided in addition to the minimum core will not be reimbursed by the State under the State Cases appropriation for those initially receiving the services after enactment.

Amendment H-1557 also establishes criteria for those individuals with a brain injury who would be eligible for services provided by counties when not eligible for the Medicaid Brain Injury Waiver. The Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury Commission is required to adopt rules regarding eligibility and minimum services. The expenditures are required not to exceed the appropriation.

Assumptions for Amendment H-1557

1. County expenditure data from FY 2004 reflects the categories of services provided by individual counties.
2. The county estimate provided is the maximum cost. A county may provide specific services although not reflective in FY 2004 expenditure data if the service wasn't provided for a specific population category that year.
3. The State Cases appropriation need would decrease beginning in FY 2007. This is a result of the limitation of services to individuals eligible for State Cases after July 1, 2006. It is estimated that 200 individuals in FY 2007 would no longer be eligible to receive services and would be replaced by 200 individuals who would receive the minimum core set of services established in the Bill compared to the estimated 1,950 receiving services in FY 2005. It would be an extended period of time before the entire group receiving services prior to the enactment of the minimum core set of services are replaced with other individuals receiving the core set of services.
4. The percentages of those served in the State Cases Program with Mental Retardation/Developmental Disabilities (MR/DD) of 25.0% and with Mental Illness/Chronic Mentally Illness (MI/CMI) of 75.0% would remain the same.

Fiscal Impact

1. The summary of the analysis of expenditure data from the 99 counties and adjusted by a formula to predict Statewide FY 2007 costs are as follows for Amendment H-1557:
 - Estimated additional costs for services to the mentally ill: \$ 2.0 million
 - Estimated additional costs for services to the chronically mentally ill: \$ 2.0 million
 - Estimated additional costs for services to the mentally retarded: \$ 4.5 million
 - Estimated additional costs for services to the developmentally disabled: \$ 0.5 million
 - Total estimated costs to counties: \$ 9.0 million

This assumes that counties would not reduce existing services that exceed the minimum core services established in the Bill. That action would reduce costs to counties.

2. If every individual eligible for the State Cases Program would receive the minimum core set of services, the estimated General Fund savings to the State is \$8.5 million. It would be multiple years to achieve this based upon the estimated turnover of 200 clients per year. For the first year within this estimate, the per person General Fund savings for a person with MR/DD would be \$6,563. The per person General Fund savings for a person with MI/CMI would be \$3,661 per person. The total savings with 50 clients receiving the minimum core set of MR/DD services would be \$328,150. The total savings with 150 clients receiving the minimum core set of MI/CMI services would be \$549,150. Total savings to the General Fund for FY 2007 would be \$877,300.
3. Development of and process for assessment tools. This work is underway and the fiscal estimate for additional outside expertise would be \$100,000.
4. Psychoactive medication pilot project. There would be no cost for this Request for Proposal and expected savings from the low cost medications pilot project.
5. A possible cost for the Iowa Foundation of Medical Care to provide functional assessment eligibility options for a limited number of those with a brain injury and not eligible for the Brain Injury Waiver under the Medical Assistance Program for consideration by the General Assembly in the 2006 Legislative Session is not available.

Sources

Department of Management
Department of Public Health
Iowa State Association of Counties

/s/ Holly M. Lyons

April 28, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
